

the BURGLAR and FIRE ALARM ASSOCIATION OF MICHIGAN



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Senate Bills 1291 and 1292, sponsored by Senator Dave Hildenbrand circumvents the current license requirements of the security alarm industry by creating a new registration requirement while creating an updated definition for internet security monitoring. In doing so, these bills undo the consumer protection for our constituents across the State of Michigan that has existed for over 30 years.

Michigan's license has been recognized across the country as a model state for the security alarm industry. Michigan's security alarm license statute has been viewed as an easy entry for businesses while protecting our valued consumer's homes and businesses, as evidenced with roughly 300 companies currently licensed and 0 serious violations to consumers. If the license is not broken then what are these bills truly trying to fix?

The Burglar and Fire Alarm Association of Michigan (BFAAM) strongly believes that the security alarm industry should be a licensed profession; without criminals working in nor licensed in the state; licensing should be done statewide without duplicate licenses at the local government level; and that the definition of a security alarm company be updated to fit with modern alarm platforms and applications.

At this time, **BFAAM opposes SB 1291-1292 as they passed out of the Senate as the industry believes the new registration process the bills seek to create should better reflect current licensing practices.** While BFAAM wholeheartedly agrees with the premise to update and simplify the current requirements and definitions for the industry, SB 1291-1292 eliminates too many provisions from the current license statute and does not do enough to protect Michigan consumers.

The last page of this memo includes a table that compares the requirements and protections within the current license statute (left column) with what the new registration requirements under SB 1291-1292 would provide (right column). As you can see, there are some similarities between the two; however, the differences are glaring and ultimately put consumers at risk, unnecessarily.

The industry welcomes the addition of large cable and telecommunication competitors to the already competitive industry. **However, BFAAM advocates for a level playing field for all competitors in an industry licensed by the state of Michigan to provide appropriate safeguards for consumers. In other words, BFAAM recommends simplification and amendments to the current industry licensing standards, not the creation of a new registration provision that adds additional regulations and definitions.**

If SB 1291 and SB 1292 continue to move through the legislative process, BFAAM believes that the package can still create a level playing field for all alarm businesses and still ensure consumer safety through a few very reasonable changes. Without these amendments Michigan consumers risk inviting criminals into their homes and businesses. BFAAM recommends the following in order to protect our consumers:

- **BFAAM recommends the background checks should be performed by the Michigan State Police (MSP) or Federal Bureau of Investigation (FBI) as they are in the current act.** After all, who better than MSP or FBI knows if an individual has a felony on record? BFAAM is concerned that private background checks are neither consistent nor accurate enough for this industry from a consumer safety standpoint.

- Staff who monitor alarms at a central station should also not have a felony record and should have to comply with the regulations the same as any other security alarm employee. **BFAAM recommends for SB 1291, Section 4, (2) adding the word “monitor” after the word “install” in that subsection.** BFAAM believes it is just as important for a consumer to know who is watching the alarms and cameras as it is for them to know who is installing them.
- The bill provides for enforcement on unregistered alarm companies. **BFAAM recommends extending enforcement for these bills on registered companies as well.** This would make the registrants accountable for what they do when operating in this industry and allowing the department to go after bad actors who try to skirt this registration act. After all, why create a process if there are no penalties for not following the rules laid out in the process? And registered companies should be treated any differently than unregistered companies.

Comparison of Current Security Alarm License to Proposed Security Alarm Registration
(as proposed in Senate Bills 1291 and Senate Bills 1292)

Current License Requirements	Proposed Registration Requirements
License	No license, instead this is registration
\$500 every two years	\$50 per year
Must be at least 25 years of age	Must be at least 18 years old
Must have at least high school education	Must have at least high school education
No felonies	No felony within the last 5 years
Not dishonorably discharged from military service	No mention of military service discharge
Has had the security business for at least 3 years or has been an employee of a licensee for at least 4 years -or- is able to pass a competency test	No competency or experience requirement
Has posted a bond or liability insurance with LARA	No bond or liability requirement
Is sane	Is sane
No outstanding warrants	No outstanding warrants
File an employee roster with LARA on a quarterly basis	LARA would have no idea who is actually working in the field, installing alarms, nor monitoring security systems. LARA simply would have a list of companies that register as security alarm contractors.
Conduct fingerprint background checks, by the State Police and the FBI, on all employees to ensure no criminals are employed in the industry.	Legislation now includes a background check provision; however, there is no definition of who does it or what constitutes a background check
Current statute includes the monitoring of security alarms	Does not include monitoring of security alarms nor are staff monitoring alarms required to have background checks
No local governments can create nor charge for a duplicate license. In other words, one license is good throughout the state of Michigan.	No local governments can create nor charge for a duplicate license. In other words, one license is good throughout the state of Michigan.
Enforcement possible on licensed alarm companies only. No enforcement exists for unlicensed activities.	Enforcement possible on unregistered alarm companies only. No enforcement on the registered alarm companies.